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THE Tobacco SITUATION

BUREAU OF AGRICULTURAL ECONOMICS
UNITED STATES DEPARTMENT OF AGRICULTURE

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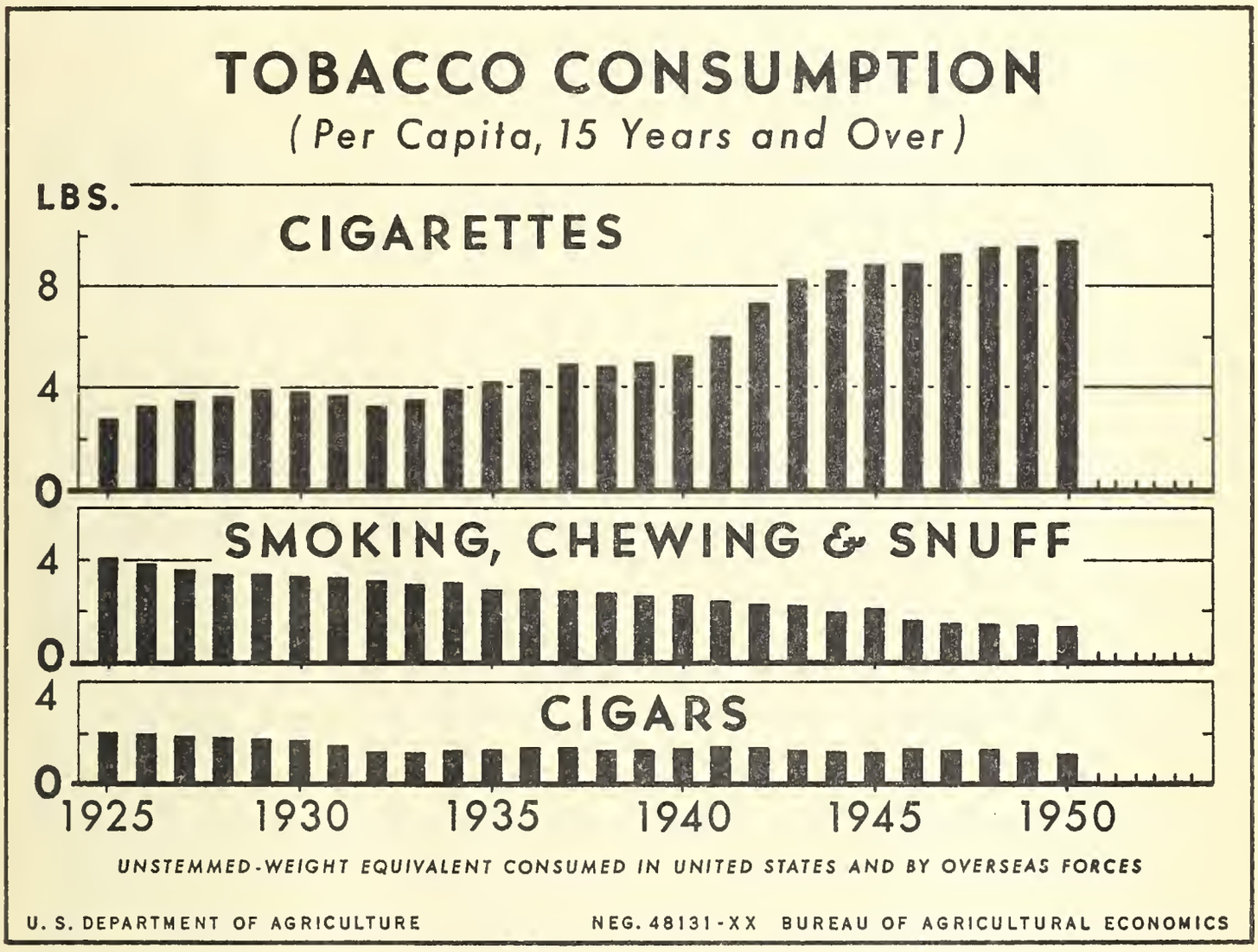

United States consumers have greatly altered their pattern of tobacco consumption in the past 25 years. From 1925 to 1950, total tobacco leaf (unstemmed processing weight) consumed as cigarettes increased five-fold, but that consumed in the form of cigars declined about 23 percent. Snuff remained relatively stable although leaf consumed as smoking and chewing tobacco and snuff combined dropped over 50 percent. In 1950 total United States population was 31 percent larger than in 1925 while the population aged 15 years or older was up about 37 percent. Consumption of cigarettes per person aged 15 or older increased 270 percent from 1925 to 1950, but consumption of snuff, chewing, and smoking combined dropped 65 percent and cigars, 44 percent.

STATISTICAL SUMMARY

Item	Unit or base period	1950 Jan.	1950 Feb.	1950 March	1950 April	1951 Jan.	1951 Feb.	1951 March	1951 April	Last data available as percentage of a year earlier
Prices received at auctions										
Burley	Cents per lb.	43.6	34.1	1/	1/	49.7	43.2	1/	1/	127
Fire-cured	Cents per lb.	30.3	28.3	28.2	1/	32.6	30.5	27.1	15.3	96
Dark air-cured	Cents per lb.	28.6	26.4	1/	1/	24.9	23.3	1/	1/	88
Parity prices										
Flue-cured	Cents per lb.	48.6	48.6	48.8	49.0	54.1	54.9	55.7	56.3	115
Burley	Cents per lb.	48.6	48.6	48.8	49.0	53.3	54.1	54.9	55.5	113
Maryland	Cents per lb.	54.1	54.1	54.3	54.5	58.5	59.3	60.2	60.8	112
Fire-cured	Cents per lb.	29.0	29.0	29.1	29.2	32.4	32.8	33.3	33.7	115
Dark air-cured (35-36)	Cents per lb.	26.0	26.0	26.1	26.2	28.6	29.0	29.4	29.7	113
Virginia sun-cured (37)	Cents per lb.	32.7	32.7	32.9	33.0	36.2	36.7	37.2	37.6	114
Index of prices paid, int., taxes, and wage rates	1910-14=100	248	248	249	250	272	276	280	283	113
Tax-paid withdrawals										
Cigarettes, small	Billion	29	26	32	26	34	29	30	30	115
Cigars, large 2/	Million	424	415	454	383	459	435	455	444	116
Chewing and smoking	Mil. lb.	16	15	18	15	17	15	15	15	100
Snuff	Mil. lb.	2.9	2.7	4.0	3.5	3.7	3.3	3.3	3.5	100
Accumulated since Jan. 1										
Cigarettes, small	Billion	29	55	87	113	34	63	93	122	108
Cigars, large 2/	Million	424	839	1,293	1,676	459	894	1,349	1,793	107
Chewing and smoking	Mil. lb.	16	31	49	64	17	31	46	61	95
Snuff	Mil. lb.	3	6	10	13	4	7	10	14	108
Cigarettes, tax-free	Billion	2	2	2	2	2	3	4		200
Accumulated since Jan. 1										
Tax-free	Billion	2	4	6	8	2	5	9		150
Tax-paid plus tax-free	Billion	31	59	93	121	36	68	102		110
Stocks, beginning of quarter (farm-sales weight)										
Flue-cured	Mil. lb.	1,993			1,754	2,090			1,796	102
Burley	Mil. lb.	1,140			1,283	1,119			1,241	97
Maryland	Mil. lb.	46			38	53			47	124
Fire-cured	Mil. lb.	148			199	151			178	89
Dark air-cured	Mil. lb.	75			94	75			90	96
Cigar, filler 2/	Mil. lb.	123			172	131			167	97
Cigar, binder	Mil. lb.	123			156	131			163	104
Cigar, wrapper	Mil. lb.	26			22	26			24	109
Exports (farm-sales wt.)										
Flue-cured	Mil. lb.	14.3	17.6	22.5	39.8	29.3	18.4	25.0		111
Burley	Mil. lb.	1.2	2.2	4.2	3.6	2.0	1.3	2.4		57
Maryland	Mil. lb.	.3	.2	.7	1.4	.8	.1	3/		---
Fire-cured	Mil. lb.	1.8	1.2	3.5	4.0	2.9	2.3	4.7		134
Dark air-cured	Mil. lb.	.3	.3	.7	.7	.4	.4	.7		100
Cigar	Mil. lb.	.3	.2	.3	.8	.3	.4	.5		167
Accumulated since beginning of crop year										
Flue-cured	Mil. lb.	318.3	335.9	358.4	398.2	327.9	346.3	371.3		104
Burley	Mil. lb.	8.2	10.4	14.6	18.2	11.1	12.4	14.8		101
Maryland	Mil. lb.	2.5	2.8	3.4	4.8	2.7	2.8	2.8		82
Fire-cured	Mil. lb.	6.4	7.6	11.1	15.0	12.3	14.6	19.3		174
Dark air-cured	Mil. lb.	2.3	2.7	3.3	4.0	2.8	3.2	3.9		118
Cigar	Mil. lb.	4.3	4.5	4.9	5.6	1.6	2.0	2.4		49
Personal income 4/	Bil. dol.	215	215	219	214	241	241	242		111
Index of industrial production 5/	1935-39=100	179	177	183	188	216	217	218		119
Percent labor force employed	Monthly	92.7	92.4	93.3	94.3	95.9	96.1	96.6	97.2	103

1/ Closed. 2/ Includes Puerto Rico. 3/ Less than 50,000 pounds. 4/ Seasonally adjusted monthly totals at annual rate. 5/ Unadjusted.

THE TOBACCO SITUATION

Approved by the Outlook and Situation Board May 24, 1951

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SUMMARY

The 1951 crops of flue-cured and Burley tobacco, the major cigarette types, are expected to be larger than last year's. The carry-over of flue-cured tobacco at the beginning of the 1951-52 marketing year will probably be about 4 percent larger, but for Burley, is expected to be down about 5 percent. Acreage allotments for flue-cured and Burley were increased above last year's, and indicated acreages as of March 1 were up 12 and 8 percent from the 1950 harvested acreages. If yields per acre should be near the 1946-50 averages, the total supply of flue-cured for 1951-52 will be 3 or 4 percent higher than that for 1950-51. The supply of Burley would be about the same or up slightly.

Supplies of Maryland tobacco, also primarily a cigarette type, are at a record level. The 1951 acreage, as indicated by farmers' intentions on March 1, will be 4 percent above the 1950 harvested acreage.

With employment and consumer income expected to continue high as the defense program expands, a strong demand for cigarette tobacco is anticipated in the 1951 marketing season. The domestic use of both flue-cured and Burley in the current marketing year will be the largest on record. Cigarette output in the United States in the fiscal year ending June 30 is estimated at 410 billion--27 billion above last season and 20 billion higher than the previous record in 1948-49.

A sizable amount of Burley also is used in smoking tobacco. The manufacture of smoking tobacco in the fiscal year ending June 30 is estimated at close to 109 million pounds--nearly the same as a year earlier.

This year's acreage allotments for fire-cured and dark air-cured are practically the same as last year's, but there may be a slight decline in acreage in the Kentucky-Tennessee area. However, if yields per acre should be near the 1946-50 average, the 1951 crops of fire-cured and dark air-cured would be a little larger than in 1950 when yields

per acre were below average. The 1951-52 supplies of fire-cured may be about 6 percent less than for 1950-51 and supplies of dark air-cured may be down slightly, but supplies of both kinds appear ample to meet foreseeable requirements.

The major domestic outlet for fire-cured is snuff and for dark air-cured, is chewing tobacco. Snuff consumption, this fiscal year, is expected to about equal the 41 million pounds in 1949-50. Some increase may occur in the use of snuff in the year ahead--tax-paid withdrawals in recent months have been above those a year earlier. Estimated chewing tobacco consumption in the year ending June 30 is 85 million pounds--a little lower than in 1949-50. Chewing tobacco output will probably hold steady or increase a little in the year ahead.

This year's production of cigar tobacco will probably be lower than last year. However, the carry-overs will be larger than a year earlier, and the total 1951-52 supplies will probably be as high or higher than for the current marketing year. Except for Pennsylvania cigar filler, type 41, Puerto Rican, type 46, and the shade-grown cigar wrapper, types 61-62, domestic cigar tobacco is under a marketing quota for the first time in 1951. Pennsylvania growers of type 41 disapproved marketing quotas on their 1951 crop. Present legislation does not provide for quotas for the wrapper types.

Cigar consumption for the year ending June 30 is estimated at about 5,650 million--3 percent more than in the 1949-50 fiscal year. The continuation of personal incomes at a high level is expected to maintain cigar consumption at this level or a little higher in the year ahead.

Price supports for the 1951 crop tobacco will be higher than those applying to the 1950 crop. On April 13, the Department of Agriculture announced the minimums at which tobacco prices would be supported. The minimum prices range from 8 to 12 percent higher than last season's loan levels. Actual price supports for the 1951 crops of tobacco will be the higher of either (a) the announced minimums or (b) the levels computed on the basis of the parity index at the beginning of the 1951-52 marketing year. The parity index has risen since the minimums were determined, and consequently, actual supports are expected to be higher than the minimums announced in April.

Exports of unmanufactured tobacco in the year ending June 30 are estimated at about 465 million pounds (declared weight) compared with 481 million in 1949-50 and 451 million in 1948-49. An active export demand for United States tobacco, especially flue-cured, is anticipated in the 1951 marketing season. The improved gold and dollar position of foreign countries, the relatively low stocks of United States tobacco abroad, and the unavailability of sufficient supplies of desired types elsewhere are major factors that will favor United States tobacco exports in the 1951-52 marketing year.

In the 1950 season, flue-cured prices advanced substantially above those in the 1949 season and averaged well above the support level. A sharp increase in flue-cured prices does not seem likely in view of the increased harvestings expected this year. For most other types, prices received by growers for their 1951 crops can be expected to top last year's prices. Support levels for 1951 crops will be higher than last season's average prices for practically all types having supports except flue-cured.

TOBACCO PRODUCTS

Cigarettes

Cigarette output in the United States for the year ending June 30, 1951, probably will reach 410 billion--a new record. Cigarette manufacture in 1949-50 was 383 billion and in 1948-49, 390 billion. Consumption in the United States, its territories, and by overseas forces will account for about 95 percent of the 1950-51 total and exports the remainder. United States tax-paid consumption for 1950-51 is expected to approach 375 billion--20 billion above 1949-50. Exports to foreign countries, and shipments to United States possessions and overseas forces combined will total over 35 billion. Procurement for overseas forces has been greatly stepped up compared with a year earlier and more than offsets the moderate decline in exports.

Cigarette output in 1951-52 will be maintained at a high level to meet the strong consumer demand. Cigarette smoking is likely to continue to gain as the result of new smokers and higher personal incomes due to the expected expansion in economic activity. The price advances on cigarettes since the Korean outbreak have been moderate compared with those for many other items. Leading manufacturers increased cigarette prices (excluding excise taxes) about 6 percent in late July 1950. No further change had occurred through April 1951. Retail prices for cigarettes in a number of States have also been increased in the last year by advances in State tax rates on cigarettes. In 1950, tax collection from tobacco (predominantly cigarettes) by 40 States, the District of Columbia, Hawaii, and Alaska totaled 445 million dollars--nearly 10 percent more than in 1949. Wyoming has become the forty-first State to levy a tax on cigarettes, and on July 1 of this year, its rate of 2 cents per package of 20 will go into effect.

The President's tax program, submitted to Congress in February, recommended a change in the Federal excise tax on cigarettes which would be equivalent to an increase from the present rate, 7 cents per package of 20, to 10 cents. Hearings have been held by the House Ways and Means Committee, and this Committee tentatively has approved a rate equivalent to 8 cents per package of 20 and rejected a proposal to exempt "economy" brands from the increase.

In 1950 cigarettes were exported from the United States to more than 100 foreign countries. The total of 14.4 billion was 27 percent below the 1949 figure, primarily because of the sharp decrease in the number going to the Philippine Republic, where more stringent import restrictions were put into effect. Cigarette exports from the United States to all countries combined except the Philippine Republic went up 6 percent from 1949 to 1950. Cigarette exports to the 15 ranking foreign outlets in 1950, together with comparative data for earlier periods, are shown in table 1. Particularly sharp increases over 1949 occurred in cigarettes going to British Malaya, France, and Austria. During the first quarter of 1951, total cigarette exports were nearly 4 billion--18 percent above the January-March 1950 total.

Table 1.- Cigarette exports from the United States for specified periods

Country	Average 1934-38	1949 1/	1950 1/	1950 as percentage of 1949	January-March 1950 1/	January-March 1951 1/	1951 as percentage of 1950
	Million	Million	Million	Percent	Million	Million	Percent
Philippines, Rep. of	2,544	7,422	1,527	21	320	276	86
Tangier-Fr. Morocco	12	1,223	1,393	114	429	370	86
Hong Kong	22	983	1,144	116	197	272	138
Venezuela	39	879	1,055	120	223	392	176
Netherlands Antilles	105	1,291	968	75	261	223	85
Belgium-Luxembourg	63	764	950	124	188	249	132
Panama-Canal Zone	389	618	616	100	156	160	103
Switzerland	16	680	513	75	136	212	156
British Malaya	3	90	434	482	18	265	2/
Sweden	80	597	336	56	12	111	925
France	307	11	295	2/	3	183	2/
Canada	12	159	279	175	51	69	135
Cuba	47	302	278	92	55	86	156
Mexico	31	347	264	76	13	90	692
Austria	1	32	263	822	185	40	22
Other countries	1,099	4,149	4,038	97	1,089	955	88
Total all countries	4,770	19,547	14,353	73	3,336	3,953	118

1/ Preliminary. 2/ Percentages in excess of 999.

Bureau of Agricultural Economics. Compiled from publications and records of the Department of Commerce.

Cigars

United States cigar consumption for the fiscal year ending June 30, 1951, is estimated at about 5,650 million--over 3 percent more than in 1949-50. The continuation of personal income at a high level is expected to maintain cigar consumption at present levels or a little higher during the year ahead.

During July 1950-April 1951, consumption of cigars retailing at 8 cents or less accounted for close to one-half of total cigar consumption--practically the same proportion as in 1949-50. In the 10 months ending April 30, 1951, the moderate-priced cigars (over 8 cents but not more than 15 cents) increased slightly less percentagewise than those in the lower-priced brackets when compared with the same months a year earlier. The Bureau of Labor Statistics wholesale price index for popular brand cigars in April 1951 was 3.8 percent higher than a year earlier.

The consumption of cigars made in domestic factories for the year ending June 30, 1951, is estimated at 5,465 million--nearly 9 percent above the 1934-38 average. Cigars from domestic factories comprise almost 97 percent of the total domestic usage, with imports and cigars made in bonded factories accounting for practically all of the remainder. This compares with 95 percent in the 1934-38 period. Consumption of Puerto Rican and Philippine cigars in this country are insignificant compared with that of pre-World War II years. Consumption of imported cigars from Cuba is about 4 times the prewar average but small relative to total consumption. Cigars manufactured in bond (practically all from Cuban tobacco) have increased to 3 to 4 times their prewar level. These are predominantly in the price groups selling above 8 cents.

Table 2.- United States cigar consumption, 1/ average 1935-39, annual 1945-50

Year beginning July	Total	Large cigars originating in					
		United States factories		Bonded manufacturing warehouses 2/	Puerto Rico	Cuba	Philippines
		8 cents or less	Over 8 cents				
	Million	Million	Million	Million	Million	Million	Million
Av. 1934-38	5,297	4,496	530	48	34	3	186
1945	5,455	3,306	1,957	87	79	26	3/
1946	5,746	2,408	3,145	130	42	16	5
1947	5,688	2,334	3,201	138	4	10	1
1948	5,693	2,486	3,047	142	7	11	3/
1949	5,473	2,717	2,596	148	3/	11	3/
1950 4/	5,650	2,800	2,665	170	3/	13	3/

1/ Computed from sales of stamps.
2/ Manufactured under customs supervision from tobacco imported from any one country.
3/ Less than 1 million.
4/ Estimates based on July 1950-March 1951 indications.

During July 1950-February 1951, tax-free removals of cigars, at nearly 40 million, were running 60 percent higher than in the same period a year earlier. This reflects larger shipments for the use of armed forces overseas since cigar exports to foreign countries were very small.

The President's tax program, submitted to Congress in February, recommended changes in the cigar tax schedule which would increase the rates on nearly all cigars. Hearings have been held by the House Ways and Means Committee but no changes from present rates on cigars had been announced by May 24.

Smoking Tobacco

The use of smoking tobacco in the United States during the fiscal year ending June 30, 1951, is estimated at about 105 million pounds--slightly less than the 106.4 million pounds in 1949-50. Tax-free removals of smoking tobacco have increased sharply over a year earlier. This probably reflects larger procurement for overseas forces since exports were not much different. Total output during the current fiscal year will probably be near 109 million pounds, or practically the same as in 1949-50.

The BLS wholesale price index for smoking tobacco in April 1951 was between 2 and 3 percent higher than a year earlier. The retail price of pipe tobacco in large cities showed practically the same increase.

Smoking tobacco consumption in each of the last 5 years has been around 45 percent less than the 1935-39 average. Generally, as incomes rise, many smokers change to cigarettes and cigars. These latter products usually cost more than the equivalent in the form of packaged smoking tobacco.

The use of smoking tobacco in hand-made cigarettes in the 1949-50 fiscal year was probably about the same as in 1948-49. Withdrawals of tax-free packages or books of cigarette papers, which accounted for 87 percent of total withdrawals, were down a little but the tax-paid cigarette papers were up 17 percent. Total withdrawals of cigarette papers in 1949-50 amounted to less than one-fourth of the 1935-39 average. During July 1950-April 1951, tax-paid cigarette papers ran 17 percent ahead of the same period a year earlier. But similar data on withdrawals of tax-free papers, which account for the heavy majority, are not available for the recent period.

Chewing Tobacco

Consumption of chewing tobacco in the United States during the year ending June 30, 1951, is estimated at about 85 million pounds compared with 87 million in 1949-50. In addition, exports and other tax-free uses probably will account for 2 to 3 million pounds. In the first 9 months of the current fiscal year, consumption of both plug and twist declined 4 to 5 percent below that in the comparable period of 1949-50; scrap chewing was down 3 percent while fine-cut chewing held about even.

In 1940, chewing tobacco production was 102 million pounds--a little over one-half of the 1925-29 average. By 1944 output of chewing tobacco rose to 125 million pounds. This interruption of the long-term down trend was attributed to greater use of chewing tobacco by persons employed in war industries, where smoking was hazardous. As employment expands in some industries connected with the national defense program, the downward trend in chewing tobacco consumption may again be interrupted.

The BLS index of wholesale prices of chewing tobacco in April 1951 was unchanged from the level it has held since late 1946.

Snuff

The consumption of snuff in the United States in the fiscal year ending June 30, 1950, is estimated at 41 million pounds--just about the same as in 1949-50. During July-December 1950 (first half of the 1950-51 fiscal year), the use of snuff was about 4 percent lower than in the same period a year earlier but during January-April 1951, it averaged between 5 and 6 percent higher than in the same period of last year. In the year ahead, the consumption of snuff is expected to be a little above the level of the last 2 years.

The BLS index of wholesale prices for dry sweet snuff in April 1951 was nearly 9 percent higher than a year earlier. This index had remained unchanged from early 1948 until late 1950.

EXPORTS OF UNMANUFACTURED TOBACCO FROM THE UNITED STATES 1/

Exports of unmanufactured tobacco from the United States in the year ending June 30 are estimated at approximately 465 million pounds compared with 481 million in 1949-50, 451 in 1948-49, and 411 million in 1947-48. The 3 or 4 percent decline expected in the total exports from 1949-50 to 1950-51 will result mostly from the smaller takings by the United Kingdom and the Philippine Republic. During the final quarter of the 1949-50 fiscal year, shipments to the Philippines were substantial.

For the first 9 months of the current fiscal year (1950-51), exports of tobacco were actually a little ahead of those in the same period a year earlier. Shipments during the January-March period ran 28 percent ahead of those in the same quarter a year ago, which more than offset the slight decrease of the last half of 1950. Exports in the fourth quarter are expected to be below a year earlier, mainly because of a sharp reduction in takings by the Republic of the Philippines. In the last period of 1949-50, exports to the Philippines were unusually large.

In the first quarter of 1951, tobacco exports to the United Kingdom, France, Netherlands, Australia, India, and New Zealand showed substantial increases over those in the first quarter of 1950 but those going to Germany, Portugal, Denmark, Norway, Sweden, and the Philippine Republic showed sizable percentage decreases. Shipments to Switzerland held about even and those to Belgium were up a little. (See table 3.) Exports of Burley, Maryland, and Virginia fire-cured during the first quarter of 1951 were smaller than in the same period of 1950 but those of most other types were larger.

1/ Quantities of tobacco in this section are stated in terms of export weight, which is less than the equivalent farm-sales weight.

Table 3.- United States exports of unmanufactured tobacco to principal importing countries and by types for specified periods

(Declared weight)

Country and type	Average 1934-38	1949 1/	1950 1/	January-March Average 1934-38	January-March 1950 1/	January-March 1951 1/	1951 as percentage of 1950
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Flue-cured	324.9	379.9	383.9	68.0	47.2	63.4	134
Burley	11.6	35.1	37.6	3.4	6.6	4.9	74
Maryland	5.5	7.9	6.7	1.8	1.1	.9	82
Va. fire-cured	9.7	4.7	5.8	3.1	1.8	1.1	61
Ky. & Tenn. "	53.7	28.5	24.0	15.7	4.1	7.6	185
One Sucker	.7	6.6	2.0	.1	.4	.5	125
Green River	3.0	3.2	1.2	1.1	.3	.5	167
Black Fat, etc.	9.0	4.8	3.6	2.1	.7	.7	100
Cigar	1.3	22.3	7.3	.2	.8	1.0	125
Perique	.1	.1	.1	2/	2/	2/	---
Stems, trimmings, and scrap	17.8	5.1	5.4	4.7	.3	.6	200
Total	437.3	498.2	477.6	100.2	63.3	81.2	128
Country of destination:							
United Kingdom	213.9	167.3	133.1	37.4	3.5	12.7	363
France	21.0	15.8	8.5	8.4	.7	3.0	429
Belgium-Lux.	15.5	18.4	27.7	3.6	6.7	7.1	106
Netherlands	15.6	33.8	32.2	4.4	4.4	6.2	141
Germany	12.6	87.1	81.8	2.8	10.0	8.7	87
Portugal	4.8	11.1	7.5	1.2	.9	.4	44
Denmark	4.6	11.6	14.8	.8	2.4	1.7	71
Ireland	7.4	25.3	17.6	1.7	4.0	5.1	128
Switzerland	3.8	10.7	14.4	1.0	2.8	2.8	100
Norway	4.7	7.4	7.7	.9	1.3	.7	54
Sweden	7.2	5.8	13.7	1.9	2.9	1.4	48
Italy	1.1	2.5	2.6	.2	2/	2/	---
China	48.2	3.1	.3	13.2	.1	.0	---
Australia	18.4	19.6	18.1	4.9	5.3	7.3	138
India-Pakistan	2.6	7.2	5.5	.6	.3	3.2	3/
New Zealand	2.5	6.2	6.5	.7	1.4	1.7	121
Philippine Rep.	1.2	1.1	27.1	.3	2.7	.3	11
Other countries	52.2	64.2	58.5	16.2	13.9	18.9	136
Total	437.3	498.2	477.6	100.2	63.3	81.2	128

1/ Preliminary.
2/ Less than 50,000 pounds.
3/ Percentages in excess of 999.

Bureau of Agricultural Economics. Compiled from publications and records of the Department of Commerce.

The export demand for 1951 crop tobacco, especially flue-cured, is expected to be strong. The improved position of several countries abroad with respect to their gold and dollar reserves will be a favorable factor affecting United States tobacco exports in 1950-51. The level of economic activity in the countries of western Europe has been raised considerably in the past 2 years and their exports to the United States and other areas have also risen. Stocks of United States tobacco in many foreign countries are low in relation to consumption requirements. Smokers in numerous foreign areas prefer cigarettes made with United States tobacco; and except where restrictions have prevented it, the volume of cigarette consumption has continued to increase.

The higher 1951 support prices accompanying the general price rise will mean that most types of tobacco will be more costly than in the 1950 season. However, a larger flue-cured crop than in 1950 is in prospect, and last season's prices averaged well above the support level; so a sharp price increase for 1951 flue-cured does not appear probable. The declared export value of unstemmed flue-cured during August 1950-March 1951 was 58.6 cents per pound--16 percent higher than in the same period a year previous. The increases in unit values varied considerably by countries of destination. For example, unstemmed flue-cured going to the United Kingdom had an average declared value per pound of 63.7 cents--up 16 percent; to Germany, 42.9 cents--up 35 percent; to Ireland, 61.9 cents--up 10 percent; to Australia, 69.4 cents--up 2 percent; to Belgium, 37.0 cents--up 26 percent; and to Netherlands, 40.7 cents--up 52 percent.

Export demand for United States tobacco also may be stimulated by the reduction in the 1950-51 tobacco crop of Southern Rhodesia--an important exporting country--which is now estimated at far below original expectations because of the drought conditions. The 1950-51 acreage was increased 12 percent above 1949-50; but if the production turns out as recently estimated (83 million pounds), it would be 23 percent less than in 1949-50. This crop is now being marketed, and exports from this area from April 1951 through March 1952 will be substantially lower than the record total of a year earlier.

There will be a considerable expansion of flue-cured acreage in Canada this year compared with 1950. The growers have been urged to plant their full base acreage, which is about 25 percent larger than the harvested acreage last year. Last year, growers were restricted to 82 1/2 percent of their base.

According to recent reports, 1950-51 flue-cured production in India was a record 108 million pounds--11 percent above that in 1949-50. Expansion is not anticipated in 1951-52 because of serious losses due to drought and disease, slightly lower prices in the face of increased costs, and the intensified program to grow more food.

British Tobacco Situation

The United Kingdom imports more tobacco from the United States than any other country but also takes substantial quantities from the

Commonwealth areas such as Southern Rhodesia, Canada, India, and Nyasaland. During the 9 months ending March 31, 1951, total tobacco imports into the United Kingdom were 265 million pounds--7 percent lower than in the same months of 1949-50. Imports from the United States at 133 million pounds were 17 percent smaller while those from Southern Rhodesia at 61 million pounds, were 31 percent larger. The July 1950-March 1951 imports from India, the third ranking supplier, were 31 million pounds, practically the same as in the comparable period a year earlier, while those from Canada at nearly 16 million pounds, were up by more than 35 percent. A similar comparison for imports from Nyasaland showed a 12 percent drop to 14 million pounds while those from Turkey fell very sharply--from 13 million pounds to 2 million.

Table 4.- United Kingdom tobacco: Stocks, imports, consumption and exports, average 1934-38, annual 1939-50

Year	Stocks Dec. 31	Imports 1/		Retained for home consumption			Exports of manufactured tobacco	Re-exports of unmanufactured tobacco
		Total	From United States	Non-preferential 2/	Preferential 2/	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average 1934-38	497	275	213	132	39	171	39	12
1939	514	212	128	151	48	199	30	14
1940	328	141	59	141	50	191	27	2
1941	259	214	129	153	69	222	17	1
1942	238	265	180	157	76	233	18	2
1943	310	354	291	165	56	221	18	4
1944	243	230	180	173	47	220	37	1
1945	278	369	310	183	48	231	37	13
1946	383	433	366	193	55	248	55	7
1947	384	296	201	173	51	225	52	1
1948 3/	390	281	172	153	61	214	45	1
1949 3/	419	302	154	139	72	211	47	2
1950 3/	4/ 441	306	144	132	82	214	43	4

1/ Unmanufactured tobacco--Imports of manufactured tobacco products have generally been small relative to imports of unmanufactured tobacco.

2/ Tobacco imported from non-preferential areas comes in at full duty rate while that imported from preferential areas (Commonwealth origin) comes in at a lower rate of duty. At present, the preferential rate is only about 3 percent below the full duty rate, but from 1931 to 1939, it was over 20 percent below the full duty rate.

3/ Subject to revision.

4/ Stocks on February 28, 1950, were 412 million pounds; on February 28, 1951, 425 million pounds.

In 1950 the tobacco withdrawn from bond for British home consumption totaled 214 million--a little more than in 1949 and well above the prewar average but lower than in any of the years 1941 through 1947. The proportion of this tobacco from Commonwealth areas was 38 percent compared with 34 percent in 1949 and 29 percent in 1948. The expenditures for tobacco by British consumers totaled about 778 million pounds sterling compared with 764 million in 1949. Approximately 84 percent of the total spent on tobacco was for cigarettes. The expenditure on cigarettes went up about 3 1/2 percent while expenditures on other tobacco products dropped off about 6 percent. The Government revenue from tobacco customs and excises in Britain during 1950 was 613 million pounds sterling--equivalent to nearly 79 percent of total consumer expenditure on tobacco. The revenue from tobacco in 1950 accounted for between 15 and 16 percent of total Government revenue.

During July 1950-March 1951, British exports of manufactured tobacco (predominantly cigarettes) totaled approximately 32 million pounds--about 11 percent less than in the same period of 1949-50. British re-exports of unmanufactured tobacco in July 1950-March 1951 exceeded 5 million pounds--3 to 4 times as large as in the same period of 1949-50.

Stocks of tobacco in the United Kingdom at the end of February 1951 totaled 425 million pounds compared with 412 million at the end of February last year. Although a little higher than a year ago, the stocks have remained well below the prewar average.

IMPORTS AND SHIPMENTS 2/

United States tobacco imports for consumption in 1950 at 90 million pounds exceeded the 1949 level by a little over 2 million pounds. Most of the increase was due to the larger quantity of cigarette leaf coming from Turkey, the principal supplier. Imports of cigar tobacco from Cuba, the next ranking supplier, were slightly less. The slight increases in imports of scrap and wrapper from Cuba did not offset the decrease in filler. Greece was the third ranking supplier, and a little less tobacco (cigarette leaf) came from that country in 1950 than in 1949, and for each year, was only a little over one-half of the prewar average. The 1950 cigar wrapper imports from Indonesia were .7 million pounds--a substantial percentage increase over 1949, but the total was well below the prewar average from that area.

During the first quarter of 1951, total tobacco imports for consumption at nearly 25 million pounds were 9 percent above those in the first quarter of 1950. Imports of cigarette leaf increased 11 percent and imports of cigar leaf were up about 7 percent.

On April 1, 1951, manufacturers' and dealers' stocks of foreign grown cigarette and smoking tobacco totaled 172 million pounds--nearly 14 percent above those on the same date in 1950 and more than one-third higher than 3 years ago. Stocks of Cuban tobacco in the United States on April 1, 1951, were 15.6 million pounds--15 percent below those of a year earlier, but stocks of Sumatra and Java tobacco at .6 million pounds were more than double those of last year.

2/ Imports of tobacco for consumption from foreign countries and shipments of the territory of Puerto Rico to the United States are on a declared weight basis.

Table 5.- United States imports for consumption of unmanufactured tobacco, from principal supplying countries and shipments from Puerto Rico, for specified periods

(Declared weight)

Classification and country of origin	Average 1934-38	1949 1/	1950 1/	January-March Average 1934-38	January-March 1950 1/	January-March 1951 1/	1951 as percentage of 1950
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Percent
Total imports 2/	66.3	87.9	90.0	14.7	22.5	24.6	109
Cigarette leaf							
Unstemmed	44.4	64.1	67.6	10.5	16.7	18.6	111
Turkey	18.2	45.1	48.3	4.1	12.0	13.5	112
Greece	18.8	9.9	9.6	4.6	2.4	2.8	117
Syria	.6	3.8	3.7	.1	.8	.8	100
Bulgaria	.6	1.5	1.2	.2	.4	.1	25
U.S.S.R.	.1	1.7	2.4	3/	.4	.7	175
So. Rhodesia	3/	1.3	1.3	3/	.4	.2	50
Yugoslavia	.0	.4	.3	.0	.1	.1	100
Cigar leaf (filler)							
Stemmed	7.2	11.6	11.6	1.8	2.8	3.0	107
Cuba	7.1	11.6	11.3	1.7	2.8	2.9	104
Unstemmed	4.1	4.1	3.9	1.1	1.0	1.0	100
Cuba	4.1	4.1	3.9	1.1	1.0	.9	90
Scrap	6.2	5.4	5.3	1.3	1.5	1.6	107
Cuba	2.9	5.0	5.1	.8	1.3	1.6	123
Philippines	3.2	.3	.2	.5	.2	---	---
Cigar wrapper	2.1	.8	1.1	.4	.3	.4	133
Indonesia 4/	1.9	.5	.7	.4	.2	.3	150
Cuba	.2	.3	.4	3/	.1	.1	100
Total from Cuba	14.3	21.0	20.7	3.6	5.2	5.5	106
Shipments from Puerto Rico							
Total	22.6	17.9	19.2	5.5	4.6	3.9	85
Leaf	17.6	10.3	9.9	4.4	3.4	2.7	79
Scrap	5.0	7.6	9.3	1.1	1.2	1.2	100

1/ Preliminary.
2/ Includes tobacco stems, not cut, ground, or pulverized, not shown separately.
3/ Less than 50,000 pounds.
4/ In 1934-38, tobacco imports from Netherlands.

Bureau of Agricultural Economics. Compiled from publications and records of the Department of Commerce.

The United States import duty on unstemmed cigarette leaf was reduced from 20 cents to 15 cents a pound by negotiations with Turkey at the Conference on Tariffs and Trade held at Torquay, England, from September 28, 1950, through April 21, 1951. The lowered duty will be applicable to cigarette tobacco in this classification that is imported from other countries as well as Turkey. The effective date for the reduction is still to be determined since it follows certain signatory actions by member countries of the Conference. This reduction will bring the duty rate to one-half of what it was before the conference at Annecy, France, in 1949, when this rate was reduced from 30 cents per pound to 20 cents by negotiations with Greece. The value of cigarette leaf (other than Latakia) imported into the United States in 1950 was 46.6 million dollars compared with 45.3 million in 1949.

At the Torquay conference, Canada reduced its duty on cigar tobacco imports. The rate on unstemmed tobacco for cigars was reduced from 20 cents per pound to 15 cents and on stemmed cigar tobacco, down from 30 to 22 1/2 cents. The value of United States cigar tobacco (mostly wrapper) exports to Canada was 1.5 million dollars in 1950. Canada also reduced its duty on cut tobacco. Also, tobacco concessions were obtained from Peru and Brazil, and the United States reduced its duty on cigars by negotiations with the Benelux countries.

FLUE-CURED, TYPES 11-14

1951-52 Supplies

According to farmers' intentions on March 1, about 1,075,100 acres of flue-cured will be grown in 1950--12 percent above the 1950 harvested acreage. This increase is nearly as large as the percentage increase in the acreage allotments from 1950 to 1951. If yields per acre should equal the 1946-50 average, production would be about 1,290 million pounds; while if yields per acre should equal the average of the 3 recent high years, production would approximate 1,340 million pounds. Last year, yields per acre for all belts combined averaged the highest on record and production totaled 1,257 million pounds--the third largest in history.

Carry-over of flue-cured on July 1, 1951, is expected to be about 1,550 million pounds--4 percent above the July 1, 1950, carry-over, which was below that of each of the 2 preceding years. The prospective 1951-52 total supply--carry-over plus production--seems likely to be about 2,840 million pounds or larger. This would be 3 or 4 percent above the 1950-51 level.

Domestic Use and Exports

During the current marketing year (July 1950-June 1951), domestic use of flue-cured is estimated at a record 755 million pounds compared with 722 million in 1949-50. This estimated high domestic use mainly reflects the record cigarette output during the 1950-51 fiscal year. The higher United States cigarette consumption plus that of its overseas forces will more than offset the slightly lower cigarette exports in the current marketing year. Cigarette manufacture during the 1951-52 fiscal year is expected to continue at a high level, and domestic use of flue-cured will probably be as large or larger than in 1950-51.

Flue-cured exports during July 1950-June 1951 are expected to total around 435 million pounds (farm-sales weight) compared with 446 million pounds in 1949-50. During the 9 months ending March 31, 1951, about 370 million pounds (farm-sales weight) were exported to foreign destinations--a little more than in the same period a year earlier, but the large shipments to the Philippine Republic in April-June 1950, which boosted the 1949-50 marketing year total, are not expected to be repeated this year. During July 1950-March 1951, Britain got about one-tenth less than in the same period a year earlier while Germany got about one-fourth more. Britain and Germany accounted for 43 and 15 percent, respectively, of total flue-cured exports in July 1950-March 1951. The next ranking outlets were Australia, Ireland, Netherlands, and Belgium. Australia and Belgium got more but the other two got less than in the comparable period a year earlier. Other foreign destinations getting more were Denmark, Switzerland, Sweden, Austria, Portugal, India, Indonesia, and Siam. On the other hand, Norway, New Zealand, Hong Kong, French Indochina, Philippine Republic, Egypt, and Palestine got less in July 1950-March 1951 than in the same months a year earlier.

Table 6.- Flue-cured tobacco, types 11-14: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(Farm-sales weight)

Year	Production	Stocks July 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	741	845	1,586	704	338	366	22.9
1939	1,171	946	2,117	707	417	290	14.9
1940	760	1,410	2,170	577	421	156	16.4
1941	650	1,593	2,243	783	492	291	28.1
1942	812	1,460	2,272	893	604	289	38.4
1943	790	1,379	2,169	980	625	355	40.2
1944	1,087	1,189	2,276	1,150	696	454	42.4
1945	1,173	1,126	2,299	1,152	665	487	43.6
1946	1,352	1,147	2,499	1,212	660	552	48.3
1947	1,317	1,287	2,604	1,054	695	359	41.2
1948	1,090	1,550	2,640	1,102	715	387	49.6
1949 2/	1,115	1,538	2,653	1,168	722	446	47.2
1950 2/	1,257	1,485	2,742				54.7

1/ Year beginning July 1. 2/ Subject to revision.

Approximately 81 million dollars of ECA funds were authorized for flue-cured tobacco from July 1950 through April 1951. During July 1949-June 1950, flue-cured authorizations totaled almost 145 million dollars but about 23 million dollars was during June, the final month of this period. The ECA-financed flue-cured was equivalent to roughly 60 percent of total flue-cured exports in the past 1 3/4 years.

In 1951-52, flue-cured exports are likely to exceed those of the 1950-51 marketing year. The major factors favoring an increase are the improved dollar exchange position of several foreign countries, the relatively low stocks of United States flue-cured abroad, and the short crop of Southern Rhodesia due to drought.

Prices

Demand on the part of both domestic and export purchasers is likely to be strong during the 1951 season and prices are expected to be at favorable levels. The 1950 crop averaged 54.7 cents per pound--the highest on record and was 9.7 cents above the support level of 45.0 cents. On April 13, the Department of Agriculture announced that the minimum at which the 1951 flue-cured would be supported was 50.1 cents per pound. The actual support level will be either the announced minimum or the level computed as of the beginning of the marketing year, whichever is higher. Since the minimum was determined, the parity index (prices paid by farmers, interest, taxes, and wage rates) rose a little further and the actual support for 1951 flue-cured (determined on the basis of 90 percent of June parity) may be a little higher than the announced minimum of 50.1 cents.

Quantities of flue-cured tobacco placed under Government loan in the past 5 seasons, together with quantities remaining under loan are shown in table 7.

Table 7.- Flue-cured price support operations, 1946-50

Marketing season	Flue-cured placed under Government loan		Remaining in Government loan stocks on April 30, 1951 1/
	Quantity (farm-sales weight)	Proportion of total crop	
	Million pounds	Percent	Million pounds
1946	66.5	4.9	None
1947	232.3	17.6	None
1948	106.1	9.7	11.8
1949	103.5	9.3	9.7
1950	77.6	6.2	67.2

1/ Estimated farm-sales weight. Actual loan stocks in terms of packed weight are 11 or 12 percent less than their equivalent farm-sales weight

Price ceilings have not been imposed on leaf tobacco sold by farmers. Under the present legislation, no ceiling can be established below parity. Flue-cured parity as of April 15, was 56.3 cents per pound.

PRICES OF FLUE-CURED TOBACCO, TYPES 11(a)-13, 1949-50

In connection with the study of flue-cured prices under the Research and Marketing Act, the prices of selected grades among the individual types during the 1950 and 1949 seasons were compared.

The 1950 season average prices of selected grades 3/ of flue-cured tobacco, types 11(a)-13, 4/ were higher for each quality group--Better, Medium, and Poorer--than in 1949. The gain was most substantial in the Poorer group. Season average prices for these groups of selected grades for each type in 1949 and 1950 are shown in table 8. Type 13 prices of Better and Medium grades rose more than prices of these grades in other types, and type 12 prices increased the most in the Poorer group.

Table 8.- Flue-cured tobacco, types 11(a)-13: Season average prices for groups of selected grades, 1949-50

Season average price (cents per pound)							
Type 11(a)		Type 11(b)		Type 12		Type 13	
1949	1950	1949	1950	1949	1950	1949	1950
Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Better grades							
64.40	65.95	64.95	65.75	64.05	66.25	63.20	67.40
Medium grades							
48.89	52.78	52.33	54.78	52.00	55.44	46.78	55.22
Poorer grades							
14.86	27.66	19.77	33.50	20.89	35.50	17.68	31.64

3/ Better grades: B1L, B1F, B2L, B2F, B3L, H1F, H2F, H3F, C1L, C2L, C3L, C3F, C4L, C4LV, C4F, C5L, X1L, X1F, X2L, and X2F.
Medium grades: B4FM, X3LV, X3FV, X3FM, X4L, X4LV, X4F, P3F, and P4L.
Poorer grades: B6R, B6GL, B6GF, B6GR, X5FM, P5L, P5F, P5G, N1L, N1R, N1G, N2L, N2R, and N2G.
Season average price is the simple average of season prices of individual grades for each type in each quality group. The individual grade prices are from the Production and Marketing Administration. They are based on a sample of auction bids from representative markets and are weighted by number of lots sold at various prices during the season.

4/ Prices of type 14, Georgia and Florida flue-cured, have been omitted inasmuch as prices for this type are generally lower than prices for other types of flue-cured tobacco because it is marketed loose instead of tied in hands.

Weekly Average Prices[5/]

Highest weekly average prices during the 1950 season for selected Better grades of flue-cured tobacco occurred in type 13; for Medium grades, in type 11(b); and for Poorer grades, in type 12. Weekly average prices of selected grades for 1950 are shown in table 9, and comparisons with 1949 weekly prices are shown in the charts on pages 20 and 21.

The highest weekly prices for the various quality groups occurred earlier in the season than in other recent years. During the types 11(a)-13 marketing season, the highest prices were paid for the Better group during the second and third weeks; for the Medium group, during the fifth week; and for the Poorer group during the seventh, eighth, and ninth weeks of the season. In the years from 1946 through 1949, the high weekly price of each quality group occurred between the seventh and fourteenth weeks of the marketing season.

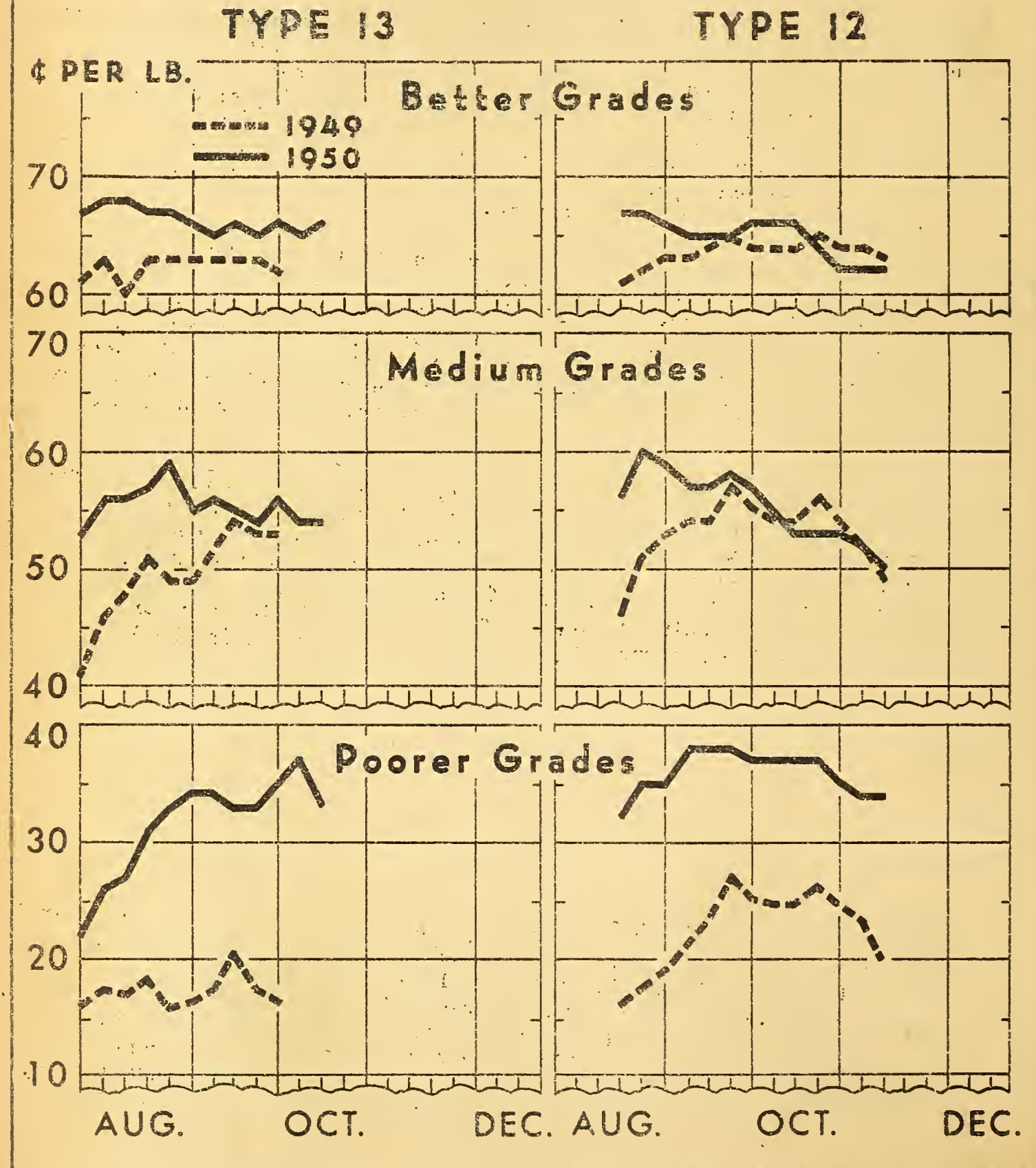
Lowest weekly prices during the 1950 season for each of the quality groups were in type 11(a). They occurred in the last week of the flue-cured marketing season. Type 11(b) prices for the Better group were also at the season's low during the last week of type 11(b) marketing. The volume of sales in the respective types was the lightest of the season during these weeks, however; and the weekly average prices were affected by the very small volume of sales of higher-priced grades in each of the quality groups.

The range of weekly prices during the 1950 season was wider for the Better and Poorer groups than during the 1949 season. Considering all four types, the spread between the low and high weekly average prices for the Better group was 7 cents per pound for the Poorer group, 18 cents per pound compared with 5 and 15 3/4 cents, respectively, during the 1949 season. For the Medium group, the spread was a little narrower in the 1950 season--15 cents per pound compared with 16 cents in the 1949 season

5/ Weekly average price is the simple average of weekly prices of individual grades for each type in each quality group. Individual grade prices are weighted by number of lots sold at various prices during the week. The weekly average price of a quality group for any type, therefore, is a simple average of weighted prices of individual grades. For weeks in which prices were not quoted for certain individual grades because they were not sold in sufficient quantities, an average price for those grades was calculated and used in computing the average price of the quality group.

PRICES OF FLUE-CURED TOBACCO, TYPES 13 AND 12

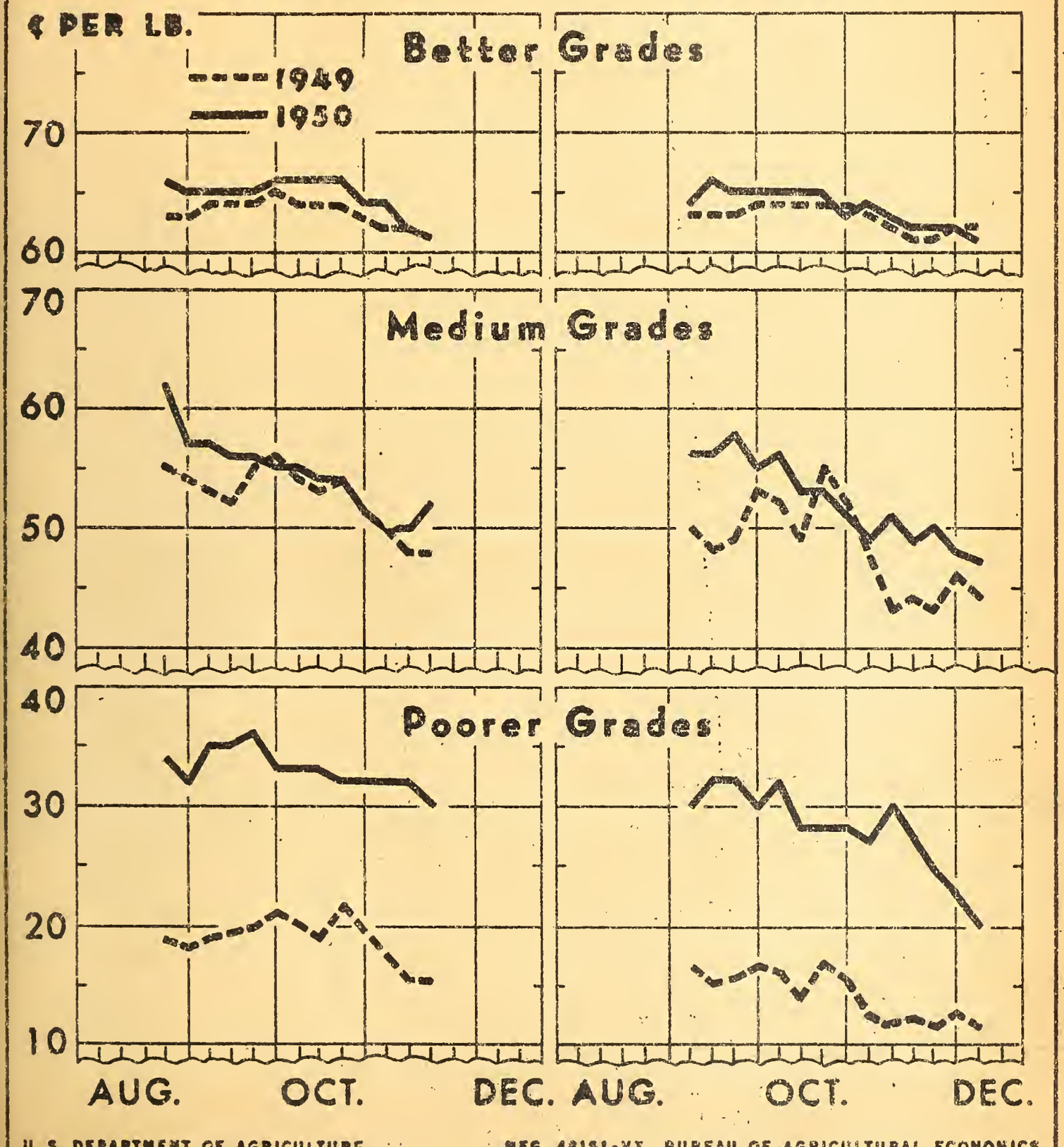
Weekly Averages for 1949 and 1950, Selected Grades



U. S. DEPARTMENT OF AGRICULTURE NEG. 48160-VX BUREAU OF AGRICULTURAL ECONOMICS

PRICES OF FLUE-CURED TOBACCO, TYPES II (b) AND II (a)

Weekly Averages for 1949 and 1950, Selected Grades



U. S. DEPARTMENT OF AGRICULTURE NEG. 48151-VX BUREAU OF AGRICULTURAL ECONOMICS

Table 9.- Flue-cured tobacco, types 11(a)-13: Weekly average prices for groups of selected grades, August-December 1950

(Cents per pound)

Week ending	Better grades, type:				Medium grades, type:				Poorer grades, type:			
	13	12	11(b)	11(a)	13	12	11(b)	11(a)	13	12	11(b)	11(a)
	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents	Cents
Aug.												
3	67				53				22			
10	68				56				26			
17	68				56				27			
24	67	67			57	56			31	32		
31 1/	67	67	66		59	60	62		33	35	34	
Sept.												
7	66	66	65		55	59	57		34	35	32	
14 2/	65	65	65	64	56	57	57	56	34	38	35	30
20	66	65	65	66	55	57	56	56	33	38	35	32
28	65	65	65	65	54	58	56	58	33	38	36	32
Oct.												
5	66	66	66	65	56	57	55	55	35	37	33	30
12	65	66	66	65	54	55	55	56	37	37	33	32
19	66	66	66	65	54	53	54	53	33	37	33	28
26		64	66	65		53	54	53		37	32	28
Nov.												
2		62	64	63		53	51	51		35	32	28
9		62	64	64		52	50	49		34	32	27
16		62	62	63		50	50	51		34	32	30
22 3/			61	62			52	49			30	27
30				62				50				24.50
Dec.												
7				62				48				22.50
14				61				47				20

1/ Type 11(b) prices are based on sales of August 31 and September 1.
2/ Type 11(a) prices are based on sales of September 14 and 15.
3/ Type 11(b) prices are based on sales of November 17, 20, and 21.

BURLEY, TYPE 31

1951-52 Supplies

The prospective Burley acreage, as indicated by farmers' intentions on March 1, is 443,400 acres--8 percent higher than the 1950 harvested acreage. Acreage allotments for most Burley farms are about 12 percent more than in 1950. If yields per acre should be near the 1946-50 average, the size of the 1950 crop would be about 555 million pounds compared with 498 million last year.

Carry-over of Burley on October 1, 1951 (beginning of the 1950-51 marketing year) is expected to be about 945 million pounds--about 5 percent lower than last year's record. The prospective 1951-52 total supply--carry-over plus production--is likely to be around 1,500 million pounds. This would be practically the same as the 1950-51 supply.

Table 10.- Burley tobacco, type 31: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	287	701	988	314	302	12	22.2
1939	395	684	1,079	317	305	12	17.3
1940	377	762	1,139	341	335	6	16.2
1941	337	798	1,135	380	374	6	29.2
1942	344	755	1,099	413	407	6	41.8
1943	392	686	1,078	427	418	9	45.6
1944	591	651	1,242	483	474	9	44.0
1945	577	759	1,336	483	448	35	39.4
1946	614	853	1,467	526	476	50	39.7
1947	485	941	1,426	524	496	28	48.5
1948	603	902	1,505	531	489	42	46.0
1949 2/	560	974	1,534	538	497	41	45.2
1950 2/	498	996	1,494				48.9

1/ Year beginning October 1. 2/ Subject to revision.

Domestic Use and Exports

During the year ending September 30, 1951, domestic use of Burley may reach 510 million pounds--nearly 3 percent above the previous year and a record high. The principal reason for larger use is the continuing high rate of cigarette manufacture which during the first half of the Burley marketing year, ran almost 6 percent above that in the same period in 1949-50. Cigarettes are the largest single outlet for Burley, but substantial quantities also go into smoking and chewing tobacco. The output of these products was slightly lower during the first half of the 1950-51 marketing year than in the same period of 1949-50 but are expected to hold even or increase a little during the rest of the year.

Exports of Burley seem likely to be about 40 million pounds (farm sales weight) in 1950-51. This is relatively close to the level of each of the 2 recent marketing years. During the 6 months ending March 31, Burley exports totaled about 15 million pounds (farm-sales weight) compared with 14.6 million pounds in the same period a year earlier. Larger quantities of Burley went to Mexico, Sweden, Norway, Denmark, Switzerland,

Austria, and Argentina but less went to Germany, Belgium, and Portugal--the 3 countries getting the largest quantities in 1949-50. Other countries taking smaller amounts in the first half of the current marketing year were Netherlands, the United Kingdom, and Egypt. However, prior to the end of the marketing year, sizable shipments will be made to Belgium, Netherlands, the United Kingdom, and Germany.

Approximately 4.7 million dollars of ECA funds were authorized for the purchase of Burley tobacco from July 1950 through April 1951. During July 1949-June 1950, 8.8 million dollars were authorized for Burley. ECA-financed Burley was equivalent to roughly 55 percent of the exports during the past 1-3/4 years.

In the year ahead, Burley exports are expected to hold fairly steady or possibly increase a little. The improvement in the dollar position of some countries usually taking significant quantities of Burley will be a favorable factor. Burley is required for the making of the American-blended cigarette, which is favored by many foreign consumers.

Prices

The demand for 1951 Burley is expected to be fairly strong and the average price should exceed the 48.9 cents per pound average received by farmers for the 1950 crop. Last season's average was 8 percent above the 1949 level and also slightly exceeded the previous record average of 48.5 cents received for the 1947 crop. The support level for the 1950 crop was 45.7 cents per pound. On April 13, the Department of Agriculture announced that the minimum at which the 1951 crop Burley would be supported was 49.4 cents per pound. Since this minimum was determined, the parity index (prices paid by farmers, interest, taxes, and wage rates) has risen and by September of this year, may show some further rise. The actual support level will be either the announced minimum or the level computed as of the beginning of the 1951-52 marketing year, whichever is higher. It is probable that the actual support level for the 1951 Burley crop (determined on the basis of 90 percent of September parity) will be a little higher than the announced minimum of 49.4 cents.

Quantities of Burley placed under Government loan in the past 5 seasons, together with the quantities remaining under loan, are shown in table 11.

Table 11.- Burley price support operations, 1946-50

Marketing season	Burley placed under Government loan: Quantity (farm-sales weight)	Burley placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on April 30, 1951 1/
	Million pounds	Percent	Million pounds
1946	147.8	24.1	None
1947	37.7	7.8	5.3
1948	96.7	16.0	25.3
1949	39.1	7.0	15.2
1950	44.2	8.9	44.0

1/ Estimated farm-sales weight. Actual loan stocks in terms of packed weight are 10 or 11 percent less than their equivalent farm-sales weight.

MARYLAND, TYPE 32

1951-52 Supplies

The 1951 prospective acreage of Maryland tobacco, as indicated by March 1 farmers' intentions, is 52,000--4 percent higher than last year's harvested acreage and the highest on record. Acreage allotments are not in effect on Maryland tobacco. If the 1951 yield per acre should be near the 1946-50 average, the 1951 crop would be between 42 and 43 million pounds compared with the 1950 crop now estimated at 40 million pounds. If the 1951 crop turns out that large, it would be second only to the record crop of 46 million in 1946.

Carry-over of Maryland tobacco on October 1, 1951 (beginning of the 1951-52 marketing year), seems likely to be near 63 million pounds compared with 60 million last October. Stocks of this size would be above the October level in any previous year. The prospective 1951-52 total supply--production plus carry-over--is about 105 million pounds compared with 100 million for the current year. This also would be a record high.

Domestic Use and Exports

The major outlet for Maryland tobacco is in cigarettes made in this country. In the first half of the current marketing year (October 1950-September 1951), cigarette output averaged about 5 to 6 percent above the same period of a year earlier. Domestic use of Maryland tobacco in the year ending September 30 is estimated at 28 or 29 million pounds--a little above that in 1949-50.

Table 12.- Maryland tobacco, type 32: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	27.5	41.3	68.8	26.5	21.1	5.4	19.7
1939	32.8	41.4	74.2	26.5	22.6	3.9	21.1
1940	32.6	47.7	80.3	28.5	25.9	2.6	33.0
1941	31.2	51.8	83.0	27.2	26.1	1.1	30.1
1942	28.1	55.8	83.9	34.4	32.2	2.2	56.5
1943	20.8	49.5	70.3	25.1	23.8	1.3	45.3
1944	38.2	45.2	83.4	31.2	28.8	2.4	55.5
1945	18.4	52.2	70.6	30.3	24.2	6.1	57.0
1946	46.2	40.3	86.5	34.0	28.3	5.7	44.5
1947	37.8	52.5	90.3	34.3	27.0	7.3	42.8
1948	35.0	56.0	91.0	37.0	27.7	9.3	54.4
1949 2/	41.2	54.0	95.2	35.4	28.0	7.4	48.3
1950 2/	40.0	59.8	99.8				

1/ Year beginning October 1. 2/ Subject to revision.

Exports of Maryland are expected to account for 8 or 9 million pounds (farm-sales weight) in the current marketing year compared with 7.4 million in 1949-50. During the 6 months ending March 31, exports of Maryland were running behind those in the same period of 1949-50. Shipments to Switzerland were about one-fifth less and those to French Morocco, Tunisia, and Algeria were also smaller. In the entire marketing year 1949-50, Switzerland took about two-thirds of all Maryland tobacco that was exported. During October 1950-March 1951, Germany, Belgium, and Netherlands got more than in the corresponding period of 1949-50 but France and the United Kingdom got none. Before the marketing year ends, a substantial quantity is expected to go to France and also some more to French North Africa and Netherlands as the result of ECA authorizations in recent months.

Approximately 1.1 million dollars of ECA funds were authorized for Maryland tobacco from July 1, 1950, through April 1951. During July 1949-June 1950, approximately .7 million dollars were authorized for Maryland tobacco. From July 1, 1949, through April 1951, ECA authorizations covering over 4 $\frac{1}{2}$ million pounds of Maryland tobacco were approved. Total exports of Maryland tobacco were over 12 million pounds (farm-sales weight) between July 1949 and March 1951. A sizable quantity of Maryland tobacco was authorized by ECA in late April 1951.

Prices

Auction markets for the 1950 Maryland crop began on May 8 of this year. Sales of 5 million pounds through May 22 averaged 51 cents per pound compared with 48.8 cents in the comparable period of last season. Average prices for nearly all grades have been higher than in the corresponding period of last season, but the larger percentage of lower quality offerings early this season tended to hold down the general average. The entire 1949 crop averaged 48.3 cents per pound. Price support loans are available to original producers who sell on the auction markets. The loan level for the 1950 crop is 48.6 cents per pound which is 86 percent of the parity price for Maryland tobacco as of September 1950. For the 1949 crop, the loan level was 41.8 cents per pound. The parity applying to the 1950 crop was calculated under the revised formula contained in the 1949 legislation, and this raised the Maryland parity considerably above that calculated by the previously used formula. The price support level for 1950 Maryland crop is computed under the sliding scale formula contained in the 1949 Agricultural Act. According to this scale, the level of price support is 86 percent of the parity price (as of the beginning of the marketing year) when the estimated total supply is more than 108 but not nore than 110 percent of "normal" supply.

When the 1948 crop was marketed in 1949, about 3 million pounds of Maryland were placed under Government loan; and last year when the 1949 crop was marketed, 2.6 million pounds went into Government loan. During the first 2 weeks of the current marketing season, deliveries for Government loans were running about 17 percent of the baskets offered. On April 30, 1951, approximately 1.9 million pounds of the 1948 crop and 1.8 million pounds of the 1949 crop still remained in Government loan stocks.

Growers of Maryland tobacco will not receive price support on their 1951 crop since the law provides that no price support can be made available if marketing quotas have been disapproved. In a referendum held in late November 1950, 62.3 percent of the Maryland tobacco producers casting ballots, voted against a marketing quota on their 1951 crop.

FIRE-CURED, TYPES 21-23

1951-52 Supplies

The prospective acreage of fire-cured tobacco, as indicated by reports of farmers' intentions on March 1, is 52,800, the same as that harvested in 1950. Intended acreage of type 23 in the Paducah-Mayfield Belt was down about 4 percent, but offsetting increases may occur in type 22, the Hopkinsville-Clarksville Belt. Acreage allotments for all fire-cured tobacco this year totaled very slightly more than in 1950. If yields per acre should be near the 1946-50 average, the 1951 outturn of fire-cured would be about 60 million pounds compared with 57 million last year. Carryover of fire-cured on October 1, 1951 (beginning of the 1951-52 marketing year), is expected to be roughly 148 million pounds--10 percent lower than on last October 1 and the lowest in 4 years. The prospective 1951-52 supply--carry-over plus production--is approximately 208 million pounds or 6 percent smaller than for 1950-51. Such a total supply is considered adequate to meet anticipated requirements.

Table 13.- Fire-cured tobacco, types 21-24: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	110.2	194.2	304.4	123.0	53.2	69.8	10.2
1939	99.4	136.2	235.6	94.0	55.1	38.9	10.6
1940	106.5	141.6	248.1	64.2	45.6	18.6	9.5
1941	69.7	183.9	253.6	69.0	51.5	17.5	14.1
1942	71.5	184.6	256.1	76.3	60.7	15.6	17.1
1943	64.9	179.8	244.7	71.2	54.5	16.7	23.4
1944	66.1	173.5	239.6	107.8	43.9	63.9	24.5
1945	58.3	131.8	190.1	85.2	37.6	47.6	31.5
1946	108.9	104.9	213.8	70.4	36.0	34.4	26.0
1947	85.8	143.4	229.2	66.6	36.3	30.3	29.5
1948	73.2	162.6	235.8	78.6	35.4	43.2	31.9
1949 2/	72.1	157.2	229.3	64.6	35.3	29.3	29.8
1950 2/	57.5	164.7	222.2				31.1

1/ Year beginning October 1. 2/ Subject to revision.

Domestic Use and Exports

During the current marketing year, October 1950-September 1951 domestic use of fire-cured may be 1 to 2 million pounds larger than the 35.3 million in 1949-50. Snuff is the major domestic outlet for fire-cured tobacco. Snuff manufacture during the first half of this marketing year was the same as in the corresponding period a year earlier. However, snuff consumption during January-March 1951 was 7 percent higher than in January-March 1950.

Fire-cured exports during the current marketing year may total between 35 and 40 million pounds (farm-sales weight) compared with 29 million during 1949-50. Substantially larger quantities have gone to Switzerland and Sweden during the first half of the current marketing year than in all of 1949-50. Exports of Kentucky-Tennessee fire-cured to France during the first half of this marketing year were substantial in contrast to none during the same period a year earlier, but the heavy fire-cured exports to France in 1949-50 occurred in the latter half of the marketing year. During October 1950-March 1951, shipments of Kentucky-Tennessee fire-cured to Netherlands, Belgium, the United Kingdom, Norway, Ireland, and Gold Coast were above those in the same period a year earlier, while the shipments going to Italy, Portugal, Germany, Tunisia, and French Morocco were less. Denmark and Egypt took about the same amount of Kentucky-Tennessee fire-cured in both periods. Some Kentucky-Tennessee fire-cured is going to Spain this spring--the first sizable export of this type to Spain since 1939. Shipments of Virginia fire-cured to Norway, Belgium, Netherlands, and New Zealand were larger but those to Germany, the United Kingdom, Denmark, and Australia were smaller.

Approximately 7.7 million dollars of ECA funds were authorized for fire-cured tobacco from July 1950 through April 1951. During July 1949-June 1950, 10.3 million dollars were authorized for fire-cured tobacco. Some tobacco authorized during the 1949-50 fiscal year was not exported until after September 30, 1950, and will be included in the current marketing year's exports. In the 1 3/4 years ending March 30, 1951, the ECA-financed fire-cured was equivalent to over three-fourths of the total fire-cured exports during that period.

Prices

Growers of fire-cured tobacco probably will receive prices averaging above those of last season. The inferior quality of a substantial proportion of the Kentucky-Tennessee fire-cured (resulting from adverse weather conditions last year) tended to hold down last season's average prices. The Eastern District fire-cured, type 22, season average was 30.9 cents per pound--three-tenths of a cent above the 1949 crop average. The Western District fire-cured, type 23, season average was 26.1 cents per pound--4 percent above the 1949 crop average. In Virginia, where the crop season was closer to normal than in Kentucky-Tennessee, the type 21 season average was 36.3 cents per pound--9 percent above the 1949 average. This was the highest average for Virginia fire-cured tobacco back to 1919.

For the combined fire-cured types, the 1950 season average was 31.1 cents per pound and the 1950 support level was 34.3 cents per pound. On April 13, the Department of Agriculture announced that the minimum at which the 1951 crop of fire-cured would be supported was 37.0 cents per pound. Since this minimum was determined, the parity index (prices paid by farmers, interest, taxes, and wage rates) has risen and by September of this year, may show some further rise. The actual support will be either the announced minimum or the level computed as of the beginning of the 1951-52 marketing year, whichever is higher. It is probable that the actual support for the 1951 fire-cured crop will be a little higher than the announced minimum of 37.0 cents. The support level for fire-cured is related to Burley parity. An advance in Burley parity by next September would be reflected in the computation of the fire-cured loan level. The Burley support is calculated at 90 percent of its parity price and the fire-cured support is 75 percent of the Burley support level.

The quantities of fire-cured tobacco placed under Government loan in the past 5 seasons is shown in table 14. In the 1950 season, about 19 percent of the type 21 crop, 24 percent of type 22, and 16 percent of type 23 went under Government loan. There was a very substantial decline in the absolute quantity and also the proportion of type 23 placed under loan in 1950 compared with any of the 4 previous years.

Table 14.- Fire-cured price support operations, 1946-50

Marketing season	Fire-cured placed under Government loan: Quantity (farm-sales weight)	Fire-cured placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on April 30, 1951 1/
	Million pounds	Percent	Million pounds
1946	40.7	37.4	9.8
1947	31.3	36.5	13.9
1948	27.3	37.2	13.7
1949	18.8	26.1	11.1
1950	12.3	21.4	12.2

1/ Estimated farm-sales weight. Actual loan stocks in terms of packed weight are 5 to 7 percent less than their farm-sales weight equivalent.

DARK AIR-CURED, TYPES 35-37

1951-52 Supplies

The prospective acreage of dark air-cured tobacco, as indicated by farmers' intentions on March 1, is placed at 28,300 acres compared with 28,700 harvested in 1950. The intended acreages of One Sucker, type 35, and Green River, type 36, were down about 3 or 4 percent while Virginia sun-cured, type 37, was up 16 percent. The 1951 acreage allotments for these types were approximately the same as in 1950. If yields per acre should be about the same as the 1946-50 average, the 1951 production of dark air-cured would total nearly 32 million pounds--over 10 percent higher than in 1950. Yields per acre of dark air-cured grown in Kentucky last year averaged the lowest in 5 years.

Carry-over of dark air-cured tobacco on October 1 (beginning of the 1951-52 marketing year) will probably be around 77 million pounds--about 3 million pounds less than on October 1, 1950, when it was the highest since 1932. The prospective 1951-52 supply--carry-over plus production--is about 109 million pounds. Such a supply would be approximately the same as for 1950-51 and is ample to meet anticipated requirements.

Table 15.- Dark air-cured tobacco, types 35-37: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(Farm-sales weight)

Year	Production	Stocks Oct. 1	Supply	Disappearance 1/			Average price per pound
				Total	Domestic 2/	Exports 2/	
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Av. 1934-38	35.5	62.8	98.3	39.0	27.0	12.0	9.4
1939	44.2	56.1	100.3	34.7	27.3	7.4	7.3
1940	42.5	65.6	108.1	33.7	29.0	4.7	7.7
1941	31.5	74.4	105.9	41.9	38.9	3.0	12.0
1942	35.2	64.0	99.2	33.9	29.8	4.1	15.2
1943	30.0	65.3	95.3	37.6	34.4	3.2	27.2
1944	44.9	57.7	102.6	42.2	35.9	6.3	23.3
1945	43.6	60.4	104.0	43.6	30.5	13.1	25.2
1946	49.6	60.4	110.0	37.3	29.7	7.6	22.5
1947	37.2	72.7	109.9	32.7	26.3	6.4	25.8
1948	34.8	77.2	112.0	37.9	23.1	14.8	28.7
1949 2/	35.9	74.1	110.0	30.2	24.0	6.2	28.2
1950 2/	28.6	79.8	108.4				24.6

1/ Year beginning October 1. 2/ Subject to revision.

Domestic Use and Exports

During the current marketing year, October 1950-September 1951, domestic use of dark air-cured tobacco is expected to be about the same or a little higher than the 24 million pounds of the preceding year. Most dark air-cured tobacco goes into chewing tobacco. During the first half of the marketing year, the manufacture of chewing tobacco (excluding scrap chewing) was practically the same as in the corresponding period a year earlier. Consumption of chewing tobacco may increase a little as employment is stepped up in certain defense-related occupations where smoking is prohibited.

Exports of dark air-cured tobacco are partly as leaf and partly as Black Fat, a semiprocessed form of tobacco. The 1950-51 exports seem likely to be around 8 million pounds compared with 6 million in 1949-50. During the first half of the marketing year, October 1950-March 1951, total dark air-cured exports were 18 percent above those in the same period a year earlier. Quantities of One Sucker going to Nigeria and Belgium--2 top ranking outlets for this type--increased, but smaller amounts of

One Sucker went to the United Kingdom, Liberia, and Tunisia. Some exports of dark air-cured are being made to Spain for the first time in many years. The October 1950-March 1951 shipments of Green River to the United Kingdom were far larger than for the entire 1949-50 marketing year. The exports of Green River to Liberia exceeded those in the first half of 1949-50 but less Green River tobacco went to Belgium. Total exports of Black Fat during October 1950-March 1951 were 19 percent above those in the same period a year earlier. The principal outlet was Nigeria, which took more, and sharp increases occurred in shipments going to French West and Equatorial Africa, and Western Portuguese Africa. The Gold Coast, another important outlet, took just about the same but Cameroon got less.

A little less than 1 million dollars of ECA funds were authorized for dark air-cured tobacco from July 1950 through April 1951. This is approximately the same as the dollar authorization in the preceding fiscal year. In the 1 3/4 years ending March 30, 1951, the ECA-financed dark air-cured tobacco was equivalent to around 40 percent of dark air-cured exports (including Black Fat).

Prices

Growers of dark air-cured tobacco are likely to receive prices averaging higher than in the 1950 season. The lower than average quality of both the One Sucker and Green River resulting from unfavorable weather conditions held down the general averages of these 2 types last season. The One Sucker, type 35, and Green River, type 36, 1950 season averages were 23.6 and 22.6 cents per pound, down from the previous season 15 and 19 percent, respectively, and also lower than in any year since 1946. However, prices for individual grades were generally higher than in the 1949 season. The 1950 season average for Virginia sun-cured, type 37, was 33.9 cents per pound--8 percent higher than in the 1949 season and above any previous year. The 1950 support level for dark air-cured tobacco was 30.5 cents per pound. On April 13, the Department of Agriculture announced that the minimum at which the 1951 crop of dark air-cured would be supported was 32.9 cents per pound. Since this minimum was determined, the parity index (prices paid by farmers, interest, taxes, and wage rates) has risen and by September of this year, may show some further rise. The actual support will be either the announced minimum or the level computed as of the beginning of the 1951-52 marketing year, whichever is higher. It is probable that the actual support for the 1951 dark air-cured will be a little higher than the announced minimum of 32.9 cents. The support level for dark air-cured is related to Burley parity. An advance in Burley parity by next September would be reflected in the computation of the dark air-cured loan level. The Burley support is calculated at 90 percent of its parity price, and dark air-cured support is 66 2/3 percent of the Burley support level.

The quantities of dark air-cured tobacco placed under Government loan in the past 5 seasons are shown in table 16. During the 1946-50 seasons, the loans on type 35 tobacco composed nearly 60 percent of the total dark air-cured loans and loans on type 36 accounted for practically all of the remainder. In the 1950 seasons, approximately 18 percent of the type 35 crop, 14 percent of type 36, and only negligible amounts of type 37 went under Government loan.

Table 16.- Dark air-cured price support operations, 1946-50

Marketing season	Dark air-cured placed under Government loan: Quantity (farm-sales weight)	Dark air-cured placed under Government loan: Proportion of total crop	Remaining in Government loan stocks on April 30, 1951 1/
	Million pounds	Percent	Million pounds
1946	15.7	31.7	2.5
1947	14.4	38.7	12.1
1948	8.9	25.6	7.2
1949	4.1	11.4	3.1
1950	4.1	14.3	4.1

1/ Estimated farm-sales weight. Actual loan stocks in terms of packed weight are 11 or 12 percent less than their farm-sales weight equivalent.

CIGAR, TYPES 41-62

1951-52 Supplies

Filler: The prospective acreage of continental cigar filler types, as indicated by farmers on March 1, is placed at 42,900--9 percent less than the 1950 harvested acreage. The Pennsylvania type 41 acreage may be down 7 percent while the Ohio types 42-44 may drop 17 percent. Pennsylvania growers rejected marketing quotas applying to the 1951 production, but they are in effect on the Ohio filler types. If yields per acre should be equal to the 1946-50 average, production of continental cigar filler this year would total about 65 million pounds--8 percent below last year's and less than any crop since 1947. However, carry-over next October 1 (beginning of the 1951-52 marketing year) is estimated at about 155 million pounds--8 percent above last October and the highest since the early 1940's. The 1951-52 total supply--carry-over plus production--is expected to approximate 220 million pounds compared with 215 million pounds for the current year. The 1951-52 supplies are likely to be above those for any year back to 1942-43.

Puerto Rican filler, type 46, is planted in the fall and harvested mostly in the first 2 or 3 months of the following year. Current reports indicated that the 1950 crop approximated 24 million pounds compared with the previous year's 25 million pounds. Stocks of Puerto Rican tobacco in the United States on April 1 were 26.7 million pounds (farm-sales weight)--9 percent lower than on April 1, 1950. Stocks on the Island were 17.4 million pounds--about one-fourth lower than a year earlier. Part of the 1950-51 crop was in stocks prior to April but the bulk will be delivered during the second quarter of 1951.

Binder: The prospective acreage of cigar binder types, as indicated by farmers on March 1, is placed at 37,200--11 percent less than the 1950 harvested acreage. All of the cigar binder types are under marketing quotas for the first time. The March 1 indicated acreages for Connecticut Valley Broadleaf type 51 and Connecticut Valley Havana Seed, type 52, are down about 9 and 15 percent respectively, from last year's harvested acreages; the Southern Wisconsin, type 54, and Northern Wisconsin, type 55, were each down about 10 percent. If yields per acre for the combined binder types should be equal to the 1946-50 average, the 1951 production would be about 58 million pounds compared with 65 million in 1950. This would be the smallest outturn since 1944. Carry-over of all binder types next October 1

(beginning of the 1951-52 marketing year) is estimated at about 145 million pounds--10 million pounds higher than on last October 1 and the highest since 1936. Total supply--carry-over plus production--for 1951-52 may be 2 or 3 million pounds larger than the 200 million pound level for the current marketing year, which is the largest since 1940-41.

Wrapper: The prospective acreage of the shade-grown wrapper, types 61-62, according to March 1 indications, is 12,900 compared with 13,600 harvested last year. Most of the decrease is expected to occur in the type 61 grown in Connecticut. If yields per acre should equal the 1946-50 average, total wrapper production this year would be about 13 ½ million pounds--10 percent lower than in 1950. Carry-over of the domestic wrapper types on July 1 (beginning of the 1951-52 marketing year) is estimated at about 20 million pounds compared with 19.4 million on July 1 last year. The 1951-52 total supplies will probably be 33 or 34 million pounds--a little lower than those for the current year. Total supplies in each of the past 2 years have been above the level for any previous year.

Domestic Use and Exports

The major domestic use of cigar tobacco is in cigars, but a substantial quantity of some grades, particularly from the binder types, is used in scrap chewing. The October 1950-March 1951 consumption of cigars was nearly 4 percent above the comparable total a year earlier, but the manufacture of scrap chewing was down a little. In the months ahead, cigar consumption is expected to continue a little above the level of a year earlier and scrap chewing is expected to hold about even or perhaps increase slightly.

During the first half of the marketing year for cigar filler and binder types (October 1950-March 1951), exports of binder were about 4 percent lower than in the corresponding period a year earlier while exports of filler were down sharply. Most of the binder exports went to Belgium, Netherlands, Denmark, and Germany while most of the filler exports went to Algeria. The filler and binder exports during October 1950-March 1951 totaled about 1 3/4 million pounds (farm-sales weight) compared with about 3 ½ million in the same period of 1949-50.

The total disappearance of cigar filler tobacco during the year ending September 30 is estimated at around 60 million pounds compared with 57 million in 1949-50. Binder disappearance in the current marketing year is estimated at about 54 or 55 million pounds compared with 50 million in 1949-50.

During the first 3 quarters of the marketing year for cigar wrapper (July 1950-March 1951), over 2 million pounds of wrapper tobacco were exported. This was 13 percent more than in the corresponding period a year earlier. Almost two-thirds went to Germany while Netherlands, Denmark, and Belgium accounted for much of the remainder.

Total disappearance of domestic wrapper in the year ending June 30 is not expected to be much different from the 14.5 million pound disappearance in 1949-50.

During July 1950-April 1951, ECA authorizations for all United States cigar tobacco totaled about 2 ½ million dollars compared with nearly 6.9 million dollars in the fiscal year 1949-50. These authorizations went mainly to Germany, Netherlands, Denmark, Belgium, Austria, and French North Africa.

Table 17.- Cigar tobacco, types 41-62: Domestic supplies, disappearance, and season average price, average 1934-38, annual 1939-50

(Farm-sales weight)

Type and year	Production	Stocks October 1 1/	Supply	Disappearance year beginning October 1 1/	Average price per pound
	Million pounds	Million pounds	Million pounds	Million pounds	Cents
Filler types 41-44 2/					
Average 1934-38	48.9	159.9	208.8	54.4	10.4
1939	63.1	141.9	205.0	54.0	11.7
1940	64.7	151.0	215.7	58.7	12.0
1941	71.2	157.0	228.2	61.4	12.5
1942	53.8	166.8	220.6	67.0	13.2
1943	47.0	153.6	200.6	55.2	18.6
1944	58.8	145.4	204.2	61.3	19.5
1945	49.9	142.9	192.8	64.0	34.0
1946	64.4	128.8	193.2	71.0	32.8
1947	63.2	122.2	185.4	61.7	30.6
1948	70.8	123.7	194.5	62.6	25.8
1949 3/	69.1	131.9	201.0	57.2	26.2
1950 3/	71.1	143.8	214.9		25.2
Binder types 51-56					
Average 1934-38	41.8	165.1	206.9	60.5	12.5
1939	63.3	116.6	179.9	45.0	16.6
1940	67.9	134.9	202.8	66.1	14.5
1941	61.6	136.7	198.3	60.4	16.9
1942	55.2	137.9	193.1	66.4	20.4
1943	51.0	126.7	177.7	69.2	30.3
1944	57.2	108.5	165.7	63.4	30.9
1945	62.1	102.3	164.4	60.9	47.7
1946	73.8	103.5	177.3	53.6	52.7
1947	70.3	123.7	194.0	68.2	43.4
1948	59.7	125.8	185.5	62.3	41.2
1949 3/	62.0	123.2	185.2	50.1	36.0
1950 3/	65.1	135.1	200.2		35.9
Wrapper types 61-62					
Average 1934-38	8.4	11.8	20.2	9.3	78.3
1939	11.4	10.1	21.5	7.9	67.7
1940	9.5	13.6	23.1	10.4	77.6
1941	10.1	12.7	22.8	9.6	98.4
1942	9.2	13.2	22.4	9.4	132.1
1943	10.0	13.0	23.0	8.7	167.7
1944	11.3	14.3	25.6	10.9	196.1
1945	11.2	14.7	25.9	12.3	197.3
1946	12.5	13.6	26.1	12.7	234.0
1947	13.5	13.4	26.9	12.4	296.0
1948	15.1	14.5	29.6	13.0	274.0
1949 3/	17.3	16.6	33.9	14.5	201.0
1950 3/	15.0	19.4	34.4		209.0

1/ Stocks and disappearance for types 56, 61, and 62 are as of July 1.
2/ A small quantity of type 45 for 1939 and 1940 not included. 3/ Subject to revision.

The 1950 Pennsylvania type 41 crop brought a season average price of 26.4 cents--practically the same as that for each of the 2 previous crops. The support level for the 1950 Pennsylvania filler is 25.2 cents per pound. Approximately 1 1/2 million pounds of type 41 had been received under loan through May 15. This was the first time price support loans were made on this type. Pennsylvania growers rejected quotas on their 1951 crop; and consequently, in accordance with the law, price support will not be available for type 41 tobacco next marketing season.

The 1950 season average price for Ohio filler was the lowest since 1944. Prices of all the binder types averaged a little lower except the Southern Wisconsin, type 54, which was slightly higher than a year earlier. Price support operations were carried on in each area. The quantities placed under Government loan by growers were 1.1 million pounds of Ohio, types 42-44; 3.7 million of Havana Seed, type 52; 1.4 million pounds of Wisconsin, type 54; and .6 million pounds of Wisconsin, type 55. Only small quantities of Connecticut Valley Broadleaf, type 51, and New York and Pennsylvania Havana Seed, type 53, were placed under loan. As of late April, there were still 1.1 million pounds of 1949 crop Havana Seed remaining in Government loan stocks and about 2 1/4 million pounds of 1948 and 1949 crop Southern Wisconsin tobacco remaining under loan and in the inventories of the Commodity Credit Corporation.

Marketing quotas and acreage allotments are effective on the 1951 crop of the cigar filler and binder (types 42-44 and 51-55). As prescribed by law, prices for the 1951 crops of these types will be supported at 90 percent of parity. On April 13, the Department of Agriculture announced the minimums at which these types will be supported. (See table 18.) The actual supports will be either the announced minimums or the level computed at the beginning of the marketing year (determined on the basis of 90 percent of the September parity), whichever is higher. The announced minimum supports for the 1951 crops are higher than the support levels during 1950. The supports in 1950 were based on 86 percent of parity since under the legislation, a sliding scale formula based on the supply level was then applicable. When marketing quotas are in effect, 90 percent of parity is the mandatory level for supporting these types of tobacco. The rise in the parity index (prices paid by farmers, interest, taxes, and wage rates) since last marketing season is the more important factor accounting for higher minimum supports for the 1951 crop. Also, the parity index has risen since the minimums were announced and may rise further by next September. In that case, actual supports will be higher than the minimum loan levels shown in table 18.

Puerto Rican tobacco will receive price support and the 1951 minimum level will be announced later.

The cigar wrapper types are not covered by existing legislation pertaining to marketing quotas and price supports. The 1950 season average for type 61 was $2.15 per pound--about 5 percent above the 1949 average. The 1950 season average for type 62 was $2.00 per pound compared with $1.95 per pound for the 1949 crop.

Table 18.- Cigar tobacco types, season average prices, 1949-50; loan level, 1950; minimum loan level, 1951

Type	1949 season average	1950 season average	1950 loan level	1951 minimum loan level
	Cents per pound	Cents per pound	Cents per pound	Cents per pound
Ohio cigar filler, types 42-44	25.0	18.6	23.6	26.1
Conn. Valley Broadleaf binder, type 51	53.0	52.0	49.0	54.9
Conn. Valley Havana Seed binder, type 52	41.9	39.8	49.5	53.9
N. Y. and Pa. Havana Seed binder, type 53	22.0	21.7	25.5	27.8
Southern Wis. binder, type 54	22.8	23.5	24.1	27.0
Northern Wis. binder, type 55	28.5	28.1	30.0	33.3

Table 19.- Acreage of tobacco in the United States, by class and type, average 1934-38, annual 1949-51 and percentages

Class and type	Average 1934-38	1949	1950 1/	1951 2/	Percentage change: Average 1934-38 to 1951	Percentage change: 1950 to 1951
	1,000 acres	1,000 acres	1,000 acres	1,000 acres	Percent	Percent
Old and Middle Belt, type 11	327.1	332.0	348.0	388.0	+18.6	+11.5
Eastern North Carolina, type 12	296.6	304.0	307.0	344.0	+16.0	+12.1
South Carolina, type 13	155.7	188.0	193.0	217.0	+39.4	+12.4
Georgia and Florida, type 14	83.7	111.4	110.4	126.1	+50.7	+14.2
Total flue-cured, types 11-14	863.1	935.4	958.4	1,075.1	+24.6	+12.2
Virginia, type 21	23.1	10.7	9.8	9.8	-57.6	.0
Kentucky-Tennessee, type 22	76.7	34.1	29.7	30.1	-60.8	+1.3
Kentucky-Tennessee, type 23	32.4	15.5	13.3	12.8	-60.5	-3.8
Total fire-cured, types 21-23	132.2	60.3	52.8	52.7	-60.1	-.2
Burley, type 31	347.2	453.4	411.3	443.4	+27.7	+7.8
Maryland, type 32	36.7	50.0	50.0	52.0	+41.7	+4.0
One Sucker, type 35	19.9	17.9	16.2	15.6	-21.6	-3.7
Green River, type 36	18.8	10.2	9.3	9.0	-52.1	-3.2
Virginia sun-cured, type 37	3.3	4.0	3.2	3.7	+12.1	+15.6
Total dark air-cured types 35-37	42.0	32.1	28.7	28.3	-32.6	-1.4
Pennsylvania Seedleaf, type 41	23.4	37.6	39.1	36.4	+55.6	-6.9
Miami Valley, types 42-44	14.6	7.0	7.8	6.5	-55.5	-16.7
Total cigar filler, types 41-44	38.0	44.6	46.9	42.9	+12.9	-8.5
Conn. Valley Broadleaf, type 51	7.2	9.0	10.1	9.2	+27.8	-8.9
Conn. Val. Havana Seed, type 52	5.4	8.7	9.1	7.7	+42.6	-15.4
N. Y.-Pa. Havana Seed, type 53	.7	1.0	1.0	1.0	+42.9	.0
Southern Wisconsin, type 54	8.9	8.5	9.3	8.4	-5.6	-9.7
Northern Wisconsin, type 55	6.7	12.0	12.2	10.9	+62.7	-10.7
Total cigar binder, types 51-55	28.9	39.2	41.7	37.2	+28.7	-10.8
Conn. Val. shade-grown, type 61	6.3	10.5	8.2	7.7	+22.2	-6.1
Ga.-Fla. shade-grown, type 62	2.6	5.1	5.4	5.2	+100.0	+3.7
Total cigar wrapper, types 61-62	8.9	15.6	13.6	12.9	+44.9	-5.1
Louisiana Perique, type 72	.3	.3	.4	.4	+33.3	.0
Total all types 3/	1,501.3	1,631.0	1,603.8	1,745.0	+16.2	+8.8

1/ Preliminary. 2/ Indicated as of March 1 based on farmers' intentions.
3/ Includes a small acreage of types 24, 45, and 56.

Table 20.- Cash receipts from farm marketings, average 1935-39, annual 1940-50 with percentages

Year	Cash receipts				Tobacco as a percentage of	
	Livestock and products	All crops	Total farm	Tobacco 1/	All crops	Total cash receipts
	Million dollars	Million dollars	Million dollars	Million dollars	Percent	Percent
Av. 1935-39	4,555	3,427	7,982	274	8.0	3.4
1940	4,893	3,471	8,364	242	7.0	2.9
1941	6,465	4,716	11,181	323	6.8	2.9
1942	9,041	6,331	15,372	476	7.5	3.1
1943	11,454	7,980	19,434	539	6.8	2.8
1944	11,322	9,038	20,360	690	7.6	3.4
1945	11,982	9,538	21,520	898	9.4	4.2
1946	13,699	11,165	24,864	970	8.7	3.9
1947	16,510	13,504	30,014	1,033	7.6	3.4
1948	17,060	13,485	30,545	945	7.0	3.1
1949	15,390	12,737	28,127	904	7.1	3.2
1950 2/	15,599	12,322	27,921	1,091	8.9	3.9
	Percentage change					
	Percent	Percent	Percent	Percent		
Av. 1935-39 to 1950	+242	+260	+250	+298	---	---
1949 to 1950	+1.4	-3.3	-0.7	+20.7	---	---

1/ Calendar year receipts are derived from parts of two crop years and should not be confused with the value of a particular year's production.

2/ Preliminary.

Table 21.- Production of manufactured tobacco in the United States, for specified periods

Period	Chewing					Smoking 1/	Snuff
	Plug	Twist	Fine-cut	Scrap 1/	Total		
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds
Average:							
1925-29	104.5	8.8	6.2	77.4	196.9	161.1	39.6
1935-39	56.9	5.9	5.0	44.0	111.8	195.0	37.3
1940	48.8	5.6	4.7	42.4	101.5	205.1	37.9
1941	50.2	5.6	5.1	44.2	105.1	197.6	39.6
1942	54.3	6.0	5.1	48.3	113.7	175.7	41.0
1943	58.9	6.3	4.5	51.4	121.1	162.8	43.2
1944	61.7	6.5	4.1	52.9	125.2	139.9	42.0
1945	59.7	6.7	4.0	47.7	118.1	168.5	43.8
1946	51.8	5.8	3.8	46.1	107.5	106.4	39.4
1947	47.3	5.2	3.8	42.2	98.5	104.7	39.2
1948	45.3	5.6	3.2	42.1	96.2	107.6	40.8
1949	41.9	5.6	2.8	39.7	90.0	108.1	40.9
1950	40.3	5.5	2.7	39.0	87.5	107.7	40.0
Jan.-Mar. 1950	10.3	1.4	.7	10.2	22.6	26.6	9.6
Jan.-Mar. 1951	10.2	1.2	.7	9.9	22.0	25.1	10.6
	Percentage change						
	Percent	Percent	Percent	Percent	Percent	Percent	Percent
Jan.-Mar. 1950 to Jan.-Mar. 1951	-1.0	-14.3	.0	-2.9	-2.7	-5.6	+10.4

1/ Breakdown of smoking and scrap prior to 1931 is estimated.

Bureau of Agricultural Economics. Compiled from reports of the Bureau of Internal Revenue.

Table 22.- Tax-paid withdrawals of tobacco products in the United States, calendar years 1949 and 1950, and January-April 1950-51 1/

Products	1949	1950	Change	January-April		
				1950	1951	Change
	Million	Million	Percent	Million	Million	Percent
Small cigarettes	352,315	360,772	+2.4	113,154	122,478	+8.2
Large cigarettes	0.8	0.7	-12.5	0.2	0.3	+50.0
Large cigars	5,587	5,538	-.9	1,676	1,793	+7.0
Small cigars	82	70	-14.6	22	25	+13.6
Snuff 2/	41.2	40.2	-2.4	13.1	13.8	+5.3
Manufactured tobacco 2/	194.0	190.7	-1.7	63.7	61.2	-3.9

1/ Based on sales of revenue stamps, and includes products from Puerto Rico. 2/ Million pounds.

Bureau of Agricultural Economics. Compiled from reports of the Bureau of Internal Revenue.

Table 23.- Tobacco manufactures: Net sales, costs and expenses, net income, and profit ratios, by quarters, 1947-50

Year and quarter	Net sales	Costs, expenses, and other deductions	Net income		Profit: Per dollar of sales		Profit: As percentage of stockholders' equity (annual basis)	
			Before Federal income tax	After Federal income tax	Before Federal income tax	After Federal income tax	Before Federal income tax	After Federal income tax
	Million dollars	Million dollars	Million dollars	Million dollars	Cents	Cents	Percent	Percent
1947								
1	586	546	40	24	6.8	4.1	14.8	8.8
2	667	626	41	25	6.1	3.7	15.2	9.2
3	683	637	46	29	6.7	4.2	17.2	10.8
4	705	654	51	31	7.2	4.4	18.8	11.2
Year	2,641	2,463	178	109	6.7	4.1	16.6	10.1
1948								
1	692	646	46	28	6.6	4.0	16.0	10.0
2	783	731	52	33	6.6	4.2	18.0	11.6
3	852	769	83	52	9.7	6.1	28.0	17.6
4	754	678	76	46	10.1	6.1	25.6	15.6
Year	3,081	2,824	257	159	8.3	5.2	22.0	13.7
1949								
1	702	648	54	34	7.7	4.8	18.4	11.6
2	782	718	64	39	8.2	5.0	20.8	12.8
3	812	743	69	43	8.5	5.3	22.0	13.6
4	765	702	63	40	8.2	5.2	19.6	12.4
Year	3,061	2,811	250	156	8.2	5.1	20.2	12.6
1950								
1	703	652	52	32	7.4	4.6	16.4	10.0
2	775	712	63	39	8.1	5.0	19.2	12.0
3	839	754	85	45	10.1	5.4	25.2	13.2
4	812	731	81	36	10.0	4.4	24.4	10.8
Year	3,129	2,849	281	152	9.0	4.9	21.3	11.5

Bureau of Agricultural Economics. Compiled and adapted from Quarterly Industrial Financial Report Series of Federal Trade Commission and Securities and Exchange Commission.

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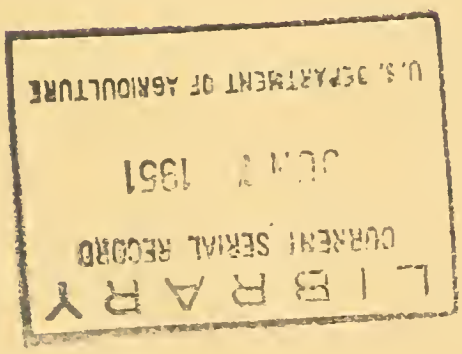
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